

Good Afternoon. My name is Carol Brockmiller, and I am the Chief Executive Officer of Quincy Medical Group. I would like to thank Mr. Constantino and Mr. Roate, along with other members and staff of the Illinois Health Facilities and Services Review Board, for their assistance in arranging this public hearing today.

While Quincy Medical Group did not request this hearing, I, along with my colleagues, am appreciative and excited for the opportunity to speak in detail about the project and provide further insight into why we chose this project and why now. This is truly a community-driven project, and we're thankful for the opportunity to address the community today.

Quincy Medical Group strongly believes that this project is needed and that it will be a true value to Quincy and the surrounding communities for years to come. We have spent a lot of time and effort determining the best way to address the needs of the Quincy community – including our patients, employers, payors, and Quincy Medical Group as an organization itself – and to ensure that any project we put forward would not adversely impact other providers in the area whom Quincy Medical Group respects and wants to see reach their full potential and continue to serve the Quincy community for years to come.

For those who know me, you know I love Quincy and the people of Quincy. I was born here and lived here all my life. We have a great community, and there's a lot to be proud of. I've been with Quincy Medical Group for 20 years, and four of those as CEO.

Before I go into the details of the project, I want to take a few minutes to what Quincy Medical Group does and who we are.

Quincy Medical Group, or QMG, is a large multi-specialty physician group based in Quincy with 115 physicians, 40 nurse practitioners and physician assistants, and nearly 900 employees. We are physician owned and governed, and all 8 members of our board are

physicians. You'll hear from some of those members today. QMG has been serving a population of 500,000 in western Illinois, southeast Iowa, and eastern Missouri for more than 80 years. We have 12 office locations, and we are the 4<sup>th</sup> largest employer in Adams County.

QMG is unique as a strong independent multi-specialty group in the country. Our physicians have the unique ability to work in private practice but also enjoy the support and camaraderie of a larger group. This allows us to recruit high quality and well-trained physicians who would, perhaps, not normally have Quincy IL on their radar.

QMG physicians see patients of all payer types – whether that be governmental payers like Medicare and Medicaid or commercial payers. Approximately 50% of our visits are Medicare patients, and 10% of our visits are Medicaid patients – a high percentage compared to similar physician groups. Through 6 of our 12 practice sites, we provide a significant amount of clinical care to rural residents of west-central Illinois. This has kept those patients from traveling to St. Louis or Springfield for care. We also provide care to patients at designated rural health clinics (RHCs) in the Quincy area. RHCs enhance the provision of primary care services in underserved urban and rural communities. RHCs utilize a sliding fee scale with varying discounts available based on patient family size and income in accordance with federal poverty guidelines.

The QMG Healthcare Foundation was founded in 2010 by physicians. QMG funds the Foundation, through people and services, and an annual physician and employee campaign. As a for-profit organization, QMG is prohibited from benefiting in any direct way from the Foundation. Today, the Foundation sponsors, partners, and hosts many regional events each year, one of which is the Bridge the Gap to Health Race, in its 19<sup>th</sup> year. The proceeds from each

year's race are distributed in full to a local medication assistance program, helping local patients access needed medications that they otherwise could not afford.

In 2012, we affiliated with UnityPoint Health, a not-for-profit health system. Through that partnership, we joined their ACO network, which has been incredibly successful, and signed on to Epic, an electronic medical record system which has greatly improved care coordination. Participating in an Accountable Care Organization is but one example of QMG's decade-long preparation to proactively participate in healthcare transformation and changing reimbursement. I am proud to report that QMG has been a Patient-Centered Medical Home Level III for 9 years. QMG achieved Meaningful Use requirements in 2009 and has maintained that certification for 9 years. And our ACO efforts to reduce cost for Medicare patients has resulted in shared savings several years.

QMG believes that by serving patients and the community, we improve lives, creating a healthier tomorrow. That's our mission. We take that mission very seriously and incorporate that mission into what we do every day. We believe strongly that this project will further our mission.

Similar to QMG's mission, Blessing's stated mission is to improve the health of this community, and one of its stated values is to put the needs of its customers, or patients, first. Hospitals operating as not-for-profit corporations are required to take into consideration community health and patient needs. We believe this project will further Blessing's mission, and we hope that Blessing will support, or at least not oppose, the project.

We are proposing to establish a multi-specialty ambulatory surgical treatment center or ASTC. The ASTC will have 5 operating rooms and 3 procedure rooms. 1 of the 5 operating rooms will be dedicated to cardiac catheterization. We carefully selected the former Bergner's

building located on Broadway Street in the Quincy Mall as the location for the surgery center as we saw the potential for the space to become a state-of-the-art modern facility and wanted to take the opportunity to invest back into the community through repurposing of a space that's integral to the economic success of Quincy. If approved at the March board meeting, we will begin renovations and expect to complete the project by 2021. The project will also include a cancer center with infusion therapy and radiation oncology. That portion of the project is not subject to the Board's review and was not a part of our application for reasons that will be discussed by others later today.

QMG takes this initiative seriously. Over our 80 years of business we have not built buildings, opened services, and grown without serious assessment of community needs and our ability to create something that is not only needed, but sustainable. We have done our homework, we have exhaustively assessed properties, buildings, and locations. We know our market, our customers, and our physicians, and we know that offering this viable option for surgeries and procedures is not only needed, it is long overdue.

There are many compelling reasons for this project. I won't have time to address all of them, so I'll focus on just a few and allow others to speak on the numerous other reasons justifying this project.

First, and perhaps most important, there is a genuine need for the surgery center. There is no question that health care reform is driving a continued shift from inpatient settings to ambulatory or outpatient care. Recent health care reform legislation has focused on promoting higher quality, more cost efficient care. Ambulatory surgery centers or ASTCs are health care facilities that offer patients the convenience of having surgeries and procedures performed in an outpatient setting - safely outside a hospital setting. Since their inception, ASTCs have

demonstrated an exceptional ability to improve quality and patient service while simultaneously reducing costs. At a time when most developments in health care come with a higher price tag, ASTCs are an exception to the rule.

More types and volumes of surgery are increasingly being provided in outpatient settings. This is, indeed, the case with QMG. This growth, along with the physician growth of our group, is making our ability to efficiently utilize the existing ASTC in Quincy (and the only other ASTC in Adams County) extremely difficult. In spite of QMG having a management contract with the hospital-owned surgery center, the policies and procedures of the surgery center are dictated by the hospital, not QMG. Due to increased surgery volumes, physician growth (on behalf of QMG and the local hospital), and current surgery center scheduling, there is a very limited amount of surgery center time available for unplanned surgical center needs, new recruits or hires, and new or expanded surgical services. There are a number of other factors at play – space, lack of necessary equipment, etc. – that are outside the control of QMG and which justify the need for a new surgery center. We have experienced significant growth as a group to date, and there are no signs of stopping or slowing down. It is a wonderful “problem” to have, but still a problem we must address and ensure we have a viable plan in place to expand our facilities to accommodate such a growth. This surgery center is a part of that plan.

Another significant justification for the project relates to cost. QMG will charge ambulatory surgery center rates for the new surgery center. Currently, QMG is not able to offer lower cost services for outpatient surgeries performed by QMG physicians at the existing surgery center because the owner of the existing facility charges a facility fee based on hospital outpatient department rates or HOPD rates. Our CFO and Revenue Cycle Director will address the cost differential in greater detail, but, in essence, owning and controlling our own outpatient

surgery and catheterization facility will allow us to pass along savings of approximately 50% due to the differential between HOPD rates and ambulatory surgery center rates. This is quite significant and will be a welcomed reduction for our local employers and patients who have consistently expressed great concern with the higher cost of care in Quincy and which has led many patients to receive treatment outside of Quincy.

I could go on and on about the wonderful attributes of this project, and the many benefits it will bring to the Quincy community, but I want to allow my colleagues the opportunity to share their comments and support for the project and to also ensure sufficient time for others to voice their comments about the project as well.

So, with that, thank you again for the opportunity to speak today and share my excitement about the project. I sincerely hope that by the end of the day, you leave with an understanding as to why we've proposed this project and that you feel, as we do, that this project is truly beneficial to the region and its future.

I am, of course, in full support of the project, and I urge the Illinois Health Facilities and Services Review Board to approve the project. Thank you.

## **QMG CON Public Hearing**

**January 24, 2019 1:00 – 3:00 PM**

Good Afternoon. My name is Beverly Helkey. I'm the Executive Director of Tri-State Health Care Purchasing Coalition or TSHCPC. On behalf of the coalition, I am speaking in support of the Quincy Medical Group Surgery Center.

The TSHCPC is a non-profit corporation dedicated to improving health outcomes and healthcare choices in west-central Illinois, northeast Missouri, and southeast Iowa or, as it's commonly referred, the Tri-State Area. Representing 50-member employers, and more than 20,000 covered lives.

Our mission is to ensure that employers, and their employees, have access to high quality healthcare at affordable costs. This can be accomplished by stimulating price and service competition among healthcare providers and insurers, and by establishing common healthcare purchasing criteria for employers to use based on quality, access, and cost. We also focus to improve the delivery of medical services and eliminate wasteful practices.

Local employers regularly share with us that the inpatient and outpatient surgery rates in Quincy are consistently significantly higher than the rates in Springfield and Missouri. All too often, employers in our area encourage their employees to consider the lower cost, high quality options in communities other than Quincy due to the currently higher costs in Quincy. While employers want to support healthcare providers locally, the cost differential is so significant that it makes business sense to encourage outmigration for surgeries and imaging to areas like Springfield and Missouri where the rates are lower.

The cost differential comparing Quincy to Springfield, and Missouri ranges from 25-60% higher locally.

Healthcare should be provided at a fair price. While employers in the Tri-State Area are generally willing to pay more in exchange for healthcare if it means that high-quality, talented physicians will come to the Quincy area, it should not cost 25-60% more than other communities. The cost differential is across all healthcare services; lab, radiology, inpatient outpatient, ancillary services, etc. In the tertiary care areas outside of Quincy most billed charges are based on DRGs, Case rates or Per Diem, locally it is a flat discount off, which, based on the billed charges is not a competitive rate.

Over the past three years, Quincy Medical Group has worked closely with the coalition to understand how it can better support employers and the community. We've shared with Quincy Medical Group, as we have with other local providers, that employers and employees in our

community have expressed their desire for greater options and more choice when selecting a healthcare facility.

The coalition believes strongly that competition in the outpatient sector is good, and having more than one choice for an ambulatory surgery center in Adams County will generate market competition, thereby improving cost and enhancing healthcare quality. Employers live in a competitive world - which, in the end, benefits all in terms of quality and cost. As a coalition that represents the business community, we believe that medical providers should be required to live in this competitive arena too, and by so doing, the community will undoubtedly reap similar benefits of lower costs and improved quality.

The proposed surgery center will address the community's need for an affordable and high-quality alternative for outpatient surgeries and other ancillary services, along with allowing for an expansion of surgical services not currently available in an ambulatory setting in the Quincy or Adams County area. Quincy Medical Group will charge ambulatory surgery center or ASC rates with the new surgery center. This will generate a reduced savings of 30% or more than the current facility fees being charged in our community for the same services. This is significant and good for the community.

Our support of Quincy Medical Group's Surgery Center does not mean we do not support other local providers, like Blessing Health System. We do; we simply support **both** organizations, especially when we believe one or both are doing what is best for the community.

We are very concerned about the future healthcare needs of baby boomers, the overall aging population of the Tri-State Area, and the healthcare needs of employers. Competitively priced, high-quality healthcare is essential for the livelihood of local employers, for attracting new employees to the area, and for retaining our current workforce. The new surgery center will address our concerns and provide numerous benefits to the community, such as those I just mentioned.

On behalf of the coalition, I encourage approval of the project by the Illinois Health Facility and Services Review Board. We trust that this additional health care option for patients and employers will be a positive and much needed opportunity for all, and that it will lead to enhanced growth and prosperity in our community.



Good Afternoon. My name is Dr. John Barbagiovanni. I am a gastroenterologist at Quincy Medical Group. I've been with Quincy Medical Group since 2004. I'm also on the Quincy Medical Group board. I'm here to show my support for Quincy Medical Group's proposed surgery center.

As a gastroenterologist, the primary focus of my practice is in the outpatient setting, where I perform endoscopic procedures, including screening for colorectal cancer. The two procedures I perform most regularly are upper endoscopies and colonoscopies.

There are many benefits to the new surgery center.

First, the new surgery center will allow for significant cost savings to be passed along to my patients, their employers, and other payers. Second, the new surgery center will address and remedy current accessibility issues. There is only one other ambulatory surgery center located in Adams County, and the operational practice at that surgery center drastically limits available surgery hours and requires that all procedures be completed by 4 p.m. While the facility may be "open" until 5 p.m., no procedures are taking place from 4-5 p.m.

In addition to the limited surgery hours, there's also limited capacity in the existing surgery center overall due to current block scheduling. The majority of surgery center hours in the existing surgery center are already allocated to a particular surgeon or group due to block scheduling, and, therefore, there's a

limited amount of hours per day available for unplanned surgeries or procedures. Quincy Medical Group intends to expand surgery hours at the new surgery center to include evening hours and weekends. The increased accessibility and availability is important to patients on many levels as it will allow for procedures to be performed more quickly and provide an additional level of convenience to patients who would prefer or who are unable to take off work during the 8-4 p.m. work day.

Third, the new surgery center will be a state-of-the-art facility that will be designed to accommodate a vast variety of procedures that can and should be performed in an outpatient ambulatory setting, like urology services, knee replacements, ACL surgeries, and ENT related procedures.

And, fourth, the new surgery center will greatly assist Quincy Medical Group with our efforts to recruit new physician talent to the Quincy area. Surgeons want to know that they will have, in essence, guaranteed access to a surgery center. If we look at the current amount of time available in the surgery center versus the number of new physicians that will arrive over the next two years, we will not be able to provide the new surgeons with the necessary amount of surgery center hours. Due to the current limited surgery center operating room availability, top recruits cannot receive the assurance they demand. Additionally, a physician-owned or led surgery center is really appealing to recruits who value the

ability to control their environment and the efficiency of the operating room and to those physicians who do not want to deal with the administrative challenges that arise when seeking new equipment due to hospital budgets and policies. The prospect of the new surgery center, which will be owned and led by physicians, has really amped up our success in relation to recruitment efforts. In a town like Quincy that is not well known nationally, we must do everything we can to make it appealing to practice medicine here. A physician-owned surgery center will open us up to more interest from recruits and continue to allow us to bring in physicians who would normally only consider working in a tertiary care market.

As a physician who will have the opportunity to utilize the new surgery center, I express my strong support in favor of the project.

Thank you.

Good Morning. I am Ralph Weber, CON consultant to Quincy Medical Group. I am here to comment on the impact of the project on Blessing Hospital.

The ASTC project has been planned at a size that meets the growing need for outpatient surgery, while at the same time having no adverse impact on Blessing Hospital.

Blessing Hospital provided 13,636 hours of outpatient surgery at the hospital and its ASTC in year 2017. (The number 13,636 hours is based on Blessing's reported outpatient hours in the hospital ORs, and reported outpatient hours in the ASTC ORs and procedure rooms. No inpatient hours of surgery are included.) The total 13,636 hours for year 2017 incorporates the most recent correction by Blessing that the Board received at its December 4 board meeting.) 13,636 hours is an increase of 37% over four years, from a level of just under 10,000 hours in 2013. This growth is approaching a 10% annual increase per year, which will result in a forecast of over 24,150 hours of outpatient surgery at Blessing in year 2023, two years after completion of the QMG project. Allowing for 10,650 hours at the new QMG facility leaves an estimated 13,500 hours at Blessing, approximately the same volume as reported in 2017. Hence the claim is supported that the project will not have an adverse impact on the hospital and its ASTC. We know that numbers are important to the State staff analysis and to the Board. The numbers make the case.

Blessing has stated that they have significant unused capacity in their operating rooms. Really? Let's take a quick look at the numbers. I said above that their outpatient volumes increased from just under 10,000 hours in year 2013 to 13,636 in 2017. Now add Blessing's inpatient hours: 4,703 in year 2013, and 5,384 in year 2017. (These are Blessing's numbers in the State's profiles.) So their total surgical hours in their 17 ORs and procedure rooms was 14,687 hours in year 2013 and 19,020 hours in year 2017. That is about a 30% increase in 4 years. That historic rate of increase, when used to forecast future volume, yields over 25,200 hours in year 2021. At 1500 hours per room, 17 rooms are justified. 17 is their current number of ORs and procedure rooms. And guess what – 2021 is now just two years away.

I also want to make a comment on the distribution of ASTCs in Health Service Area 3:

The map shows the location of the 5 ASTCs in HSA 3. HSA 3 is an area about 128 miles wide and 108 miles north to south. It's a big area. You quickly observe that 4 of the 5 ASTCs are in Springfield. The rest of the area has only one – the ASTC owned by Blessing Hospital here in Quincy. Blessing has a virtual monopoly in ASTC service. There is no competitive pricing in Quincy. There is in Springfield. The trend toward outpatient surgery supports the need for more facilities in the Quincy region.

I must note that the planning area is a smaller area, defined by the State's new distance radius. It is 21 miles for the Quincy area. But you see that the distribution of QMG offices serves the broader area, and draws patients from rural areas and small towns well beyond Quincy. I am not saying that HSA 3 is the Planning Area. It is not. But the service area is bigger than the 21 mile radius.

Good Afternoon, again. As I mentioned earlier, my name is Dr. Barbagiovanni. I was asked to read a statement previously prepared by one of QMG's very special doctors, Dr. Michael Ouwenga. Dr. Ouwenga was a talented, caring urologist at Quincy Medical Group who passed away suddenly this past weekend. He was enthusiastic and very involved with this project. He will be greatly missed. I am honored to speak on his behalf.

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My name is Dr. Michael Ouwenga. I'm a urologist at Quincy Medical Group, having joined the group in 2010, and also a member of its board. I'm speaking today in support of Quincy Medical Group's proposed project.

As a urologist, I perform a number of procedures in an outpatient setting. In fact, almost 95% of the procedures we perform can be completed in an outpatient setting. Because the equipment needed to perform urological surgery is not available in the existing surgery center in Quincy, I have no choice but to perform the procedures in the operating room of the local hospital. Hospital operating rooms do not have the same capability as an outpatient surgery center to have efficient, effective, and cost-conscious surgical options for patients. Patients wait longer to get into surgery, turnaround is slower for physicians and hospital facility fees are applied. My physician fee for the procedures does not change based on whether it's performed in a surgery center versus in a hospital. It's the facility fee that's at issue. Facility fees in Quincy are currently controlled by Blessing hospital and not Quincy Medical Group.

The proposed new surgery center will have the modern equipment and capabilities necessary to perform many urology procedures that currently cannot be performed in the existing surgery center. Another beneficial aspect of the new surgery center is that Quincy Medical Group physicians performing procedures at the surgery center will have immediate access to a

fully integrated electronic medical record system for our patients and will no longer need to navigate two very different electronic medical record systems. This will improve quality of care, patient outcomes, and safety through improved information sharing, reduction in medication errors, and improved communication and interactions among primary care providers, patients, and other providers involved in the patient's care.

My fulfillment as a physician is to provide the best, most innovative, and efficient care of my patients. It's for these reasons that I strongly support the proposed surgery center.

Thank you.

I am Dr. Todd Petty. I am a surgeon at Quincy Medical Group and chairman of the Quincy Medical Group Board. As you might guess, I am pleased to speak on behalf of our proposed surgery center.

As Carol said, Quincy Medical Group has served patients in the tri-state area for more than 80 years. We are a multi-disciplinary group, meaning we provide both primary and specialty care, and are the largest physician group in the Quincy area and surrounding rural communities.

Our group has had significant growth over the last decade, from 74 physicians in 2005 to our current 115 physicians, an increase of more than 50%. Over this period of time, our annual patient encounters have increased from approximately 286,000 to 491,000, an increase of more than 70%. We have concentrated on making our organization cost effective, so that we are providing high quality care at appropriate charges. To do this, we stay focused on cost-effective care, and we maintain overhead costs at approximately 25%, which makes us among the best managed medical groups in the country. Why focus on this? Because managing and controlling health care costs is everyone's business, and important to our group.

Approximately 50% of our visits are Medicare patients, and 10% of our visits are Medicaid patients. There is no expectation that this percentage will change – except, perhaps, to increase - with the new surgery center. We are going to continue seeing Medicare and Medicaid patients.

Some people ask why we are interested in a surgery center again, since we had owned one in the past. In 2006, our operations were not what they should have been, and the group was not run nearly as efficiently as it currently is. We needed to raise money, including millions



to purchase an electronic medical record, and did so in two ways. We sold the license for our surgery center at 1118 Hampshire (in one of our medical clinic buildings) to Blessing Hospital. This was a decision we wish could have been avoided, but at that point was needed. The surgery center was very successful at that time, and we charged much lower rates than it does now. We know we ran a highly efficient surgery center that served the community well. As we assessed forward-thinking healthcare partners, we ultimately accepted an offer by UnityPoint Health to buy a minority interest in our group. This has proven to be a good decision, because of the synergy between our missions to provide high quality local health care at affordable rates. We have a good relationship with UnityPoint. However, it's important to understand that under our arrangement with UnityPoint, profits from the proposed surgery center will not leave this community. UnityPoint is not contributing capital to the project, UnityPoint does not receive profits from QMG, and it will not receive profits from our proposed surgery center. Any profit from this will stay local.

In our strategic planning, we have determined that owning and operating our own surgery facility is important to our mission to deliver cost effective services to area employers and their employees, which are our patients. Employers have frequently approached us to work with them to deliver surgical services at lower costs locally. Due to the current high costs, employers have frequently encouraged their employees to leave town for lower cost services outside the area - in Springfield, Peoria and St. Louis. A surgery center, with costs approximately 50% less than the hospital, will better meet their needs.

While on the subject of cost, let me give you some recent personal examples of how I have seen costs affect several of my patients. A local farmer wanted me specifically to fix his

hernia, because I had done so on several of his relatives and neighbors. He didn't have insurance, but told me he had set aside around \$10,000 for this. This operation typically takes around one hour, and is an outpatient operation. I explained that my fee would be about \$1000, but that the surgery center facility fee would be a lot more than that. I didn't know the actual number, so he looked into it. He was told that the cost was \$30,000, and reported that to me. I couldn't believe that - so pursued it myself, and verified it. I was also told that he would get a cash discount decreasing it to \$18,000, and that if he paid for it ahead of time it would be just over \$16,200. He didn't have that much, so he has to decide if he is going to leave the area for a lower price or put up with the hernia and wait until next year when he plans to have insurance.

Another one of my patients required a gallbladder surgery. This too, is an outpatient operation that takes about an hour. When he arrived that morning for the operation, he discovered that his insurance would only agree to pay \$1,000 toward the \$21,000 facility fee, and, as a result, the remaining \$20,000 of the procedure was the patient's responsibility. He was asked to sign a form agreeing that he was legally liable for that amount. He was having a lot of abdominal pain from his gallbladder, and didn't want to wait any longer to look elsewhere, so he signed that form. These are just two patient stories that show the cost issues at play and the need for greater competition and patient choice in the Quincy area.

Let me talk about our relationship with Blessing Hospital. This project should not be viewed as an effort to harm the hospital. Our physicians have admitting privileges at Blessing, and several department chairmen, directors, and the surgical chief at Blessing are QMG physicians. Our physicians are at Blessing Hospital every day. We have planned the surgery

facility in a way that, given overall growth expectations, Blessing's surgical volumes after our center opens will be approximately the same as they are now. Our cost to provide surgery will be below the cost at Blessing, since we are not charging hospital outpatient department rates.

We have raised many alignment issues with the leaders at Blessing in recent years. Some have succeeded, but most have not. Our missions are similar, but a joint venture providing true physician control of outpatient surgery does not fit the hospital's culture. We understand, and have planned our project to deliver care in the setting and cost structure that we believe best fits the community and our organization. Our local experience is a microcosm of what is transpiring nationally – with hospitals and health care systems seeking to own or control physician practices. While this is often done with the stated intent of lowering prices, studies have routinely shown the opposite - that a medical monopoly leads to higher prices locally. The forces are overwhelming, but we prefer to be able to operate independently and efficiently, with our own facilities, equipment, policies and procedures. We think that our local community prefers physicians with autonomy over their practice patterns, rather than a corporate model of health care that controls physicians and rates.

Certificate of Need has an important role that is focused on facilities. Our planning has developed a project that we believe fits with the State's review criteria and standards, and preserves the private practice of medicine in a cost effective setting.

As chairman of Quincy Medical Group, I encourage approval by the CON Board.

I am Dr. Richard Schlepphorst, Chief Medical Officer and Compliance Officer for Quincy Medical Group. My role as CMO involves me in long-range planning for the medical group, its operations, quality oversight, recruitment of physicians, and governance. I was born and raised in Quincy, and have practiced medicine here as a pediatrician for my entire career - more than 30 years. Quincy is home.

Like many other physicians at QMG, I currently have a clinical administrative role at Blessing Hospital, serving as its Chairman of the Department of Pediatrics. Other QMG physicians work under contract to oversee the ICU at Blessing, cover call for the emergency department and EMTALA coverage for the community, work under contract in partnership with Blessing Hospital to cover surgical trauma and orthopedic trauma, and admit our patients to Blessing Hospital when our patient require hospital services.

Throughout my years of practice and administration, there have been many important and collaborative relationships among and between the doctors and the hospital, and it is important that those relationships continue during and after our project is underway. There have been times when we have come together to create something great, and other times when we needed to do things independently. When Blessing has pursued independent projects, including its two recent projects

requiring CON approval including a building to house physicians recruited to compete with our existing services, QMG did not oppose those projects.

The entire executive team at Quincy Medical Group has gone to great lengths to plan our surgery center project so that it will not harm Blessing Hospital and our valued professional relationship. A strong local hospital delivering quality health care is vitally important to our physicians and the community, and we are committed to its ongoing success. We sincerely hope that Blessing will consider the best interests of the community and its patients, and, as a result, support our project.

Subsequent to the filing of our CON application, Blessing has made comments that the various issues we raised in our application in relation to Blessing's surgery center are under the control of Quincy Medical Group. The idea that Quincy Medical Group controls the operation of Blessing's surgery center is not at all representative of our working relationship. We have a management agreement with Blessing, but that management agreement specifies that we essentially provide medical direction and perform quality functions. In fact, Blessing controls the following:

- Decision-making regarding the hiring and firing of surgery center employees (all but 1 who are all employed by Blessing);
- Policies governing the surgery center;

- Surgical block time is approved by the Blessing Hospital OR committee;
- Determination of staffing ratios;
- Credentialing;
- Purchasing of equipment;
- Contracts with critical services such the anesthesiology group;
- And, most importantly, the pricing to payors in relation to procedures performed in the surgery center.

We can recommend that changes be made (and we do) -- but it's the hospital's prerogative to make the changes recommended. We can recommend new equipment and for an expansion of surgery hours – but, ultimately, whether our recommendations get put into action is up to Blessing. These are not issues unique to Blessing, but are institutional constraints common to all hospitals. Blessing's surgery center is, in essence, operated as a hospital institution – which means slow moving, more layers of approval, and limited opportunity for physician input.

Let me cover several reasons why this project is a good one for the health care sector and for the community.

The proposed surgery center will have a significantly lower facility fee than the facility fee currently charged in the surgery center owned and operated by Blessing Hospital.

That is why businesses and employers are supportive of our project. The high facility fees charged by the hospital are prompting more and more businesses to encourage their employees to shop outside of Quincy for surgical and other health care services where costs are significantly lower.

Finally, the project enhances our ability to recruit the talent needed to serve Quincy and its surrounding towns. QMG is actively recruiting physicians in many specialties and staff to support them. We have always been able to recruit top notch physician talent, and we believe the increasingly competitive recruitment market requires us to move forward with our ASTC as that is an opportunity that prospective recruits seek.

For the betterment of local healthcare, I urge the Illinois Health Facilities and Services Board to approve our plan. Thank you.

Good Afternoon. My name is Patty Williamson, and I serve as the Chief Financial Officer of Quincy Medical Group. I'm thankful to have the opportunity to speak in support of the project today.

Carol introduced the project; I would like to speak to how the project will be funded. The project is structured as a lease of the former Bergner's building, not as the purchase of a building or the building of a new structure, and as such, that greatly reduces the cost of the project, while adding value to the community by repurposing a vacant space. The cost of the project is in the medical equipment that will be needed for the project, as well as initial start-up operating expenses which will be financed through a bank loan and retained earnings of the organization. Our local bank supports the project and is excited to work with Quincy Medical Group to bring the proposed ASC to the Quincy Community.

Unlike not-for-profit organizations that receive significant tax exemptions, Quincy Medical Group is a for-profit entity, meaning that all profits of the group are subject to federal and state corporate income tax. From 2013-2017, QMG paid, per year, more than \$1 million in federal income tax and more than \$300,000 in state income tax. QMG also pays property tax on all its property, which includes three Illinois counties in the Health Services Area. From 2016-2018, QMG paid more than \$2 million in property taxes. These are significant sources of government revenue. As we noted in our



application, the proposed project will be taxable and will generate additional federal and state income tax and property tax.

The proposed multi-specialty surgery center will be a free-standing non-hospital based ambulatory surgery center or ASC. ASCs are high-quality, cost-effective alternatives to hospital-based surgical services. One primary difference between hospital-based surgical services and ASCs pertains to the reimbursement rate for the facility. ASCs are generally reimbursed at roughly 50% less than the rate of hospitals for a similar procedure.

Currently, there is only 1 ASC in Adams County – the ASC owned by Blessing Hospital. Under the hospital's ownership, hospital outpatient department rates are currently charged for procedures performed in the ASC.

As a free-standing non-hospital based ASC, QMG will charge ASC rates, not hospital outpatient department rates. This distinction is important because, as I mentioned, ASC rates are, on average, approximately 50% lower per procedure compared to hospital outpatient rates. As a result, QMG will pass along significant savings to our patients, employers, and payers, with 60% of our patients being insured by governmental payers.

For the top 10 surgical procedures to be performed on Medicare patients at the proposed ASC, total Medicare savings are expected to be at least \$2.3 million per year. For all procedures performed on Medicare patients at the proposed ASC, total savings

are expected to be at least \$4 million per year. We expect a similar percentage of cost savings for our commercial, Medicaid, and worker's compensation patients. As Carol mentioned, approximately 50% of our visits are Medicare patients, and 10% of our visits are Medicaid patients.

As the CFO of Quincy Medical Group, I'm excited to see the immediate and long-lasting positive financial impact the surgery center will have on the Quincy community and our group.

Thank you.

My name is Jim Rubottom. I'm the Vice President of Human Resources for The Knapheide Manufacturing Company. Knapheide is the industry leader in the truck equipment market, shipping our truck beds through the US and internationally. Knapheide is a 170-year-old company founded in Quincy in 1848. Knapheide has 2000 employees nationwide and is one of the top employers in Quincy with approximately 1400 employees in the Quincy area.

Knapheide was a founding member of the local healthcare coalition, Tri-State Health Care Purchasing Coalition, and continues to participate in that organization. Tri-State Health Care Purchasing Coalition is a non-profit organization committed to improving the quality of health and health care in communities throughout the tri-state area.

One of our highest priorities for our employees is to ensure accessibility to high-quality and cost-effective health care services. From an employer standpoint, we have experienced a significantly higher cost of healthcare in Quincy compared to Springfield, Illinois, and St. Louis and Columbia in Missouri. As a result, it has been cost effective for us to encourage our employees to shop medical services outside Quincy when appropriate.

I have experienced the higher costs of health care in Quincy on a personal level. A few years ago, I had a surgery performed at Barnes-Jewish Hospital in St.

Louis, Missouri. When I look back at the cost for the procedure, it cost about 25% less to have the procedure performed at that facility in Missouri than it would have been if I had the surgery performed here in Quincy at the local hospital. The cost differential was due to facility fees, and I'm not aware of any reason why the same procedure should have cost 25% more to have it performed in Quincy.

For more than 25 years, I have personally met with local healthcare providers in Quincy to discuss concerns with the high cost of care in the Quincy area. No real changes from a cost-standpoint ever took place; our hospital listens but does not take action. Over the past few years, however, Quincy Medical Group has been working closely with the employer coalition to better understand how the group can help support its members. There has been a genuine interest on Quincy Medical Group's behalf to listen to our concerns and take action to reduce costs.

Quincy Medical Group's proposed surgery center will address our concerns and serve as a viable, less expensive alternative for outpatient surgeries and procedures. We understand that the surgery center will charge ambulatory surgery center rates and that those rates are about 30% lower per procedure compared to current hospital outpatient rates being charged in the Quincy community.

On behalf of both The Knapheide Manufacturing Company and myself, I express strong support for Quincy Medical Group's surgery center, and recommend approval by the Illinois Health Facilities and Services Review Board.

Good Afternoon. My name is Michelle Frazier. I am the Revenue Cycle Director for Quincy Medical Group. I'm here to show my support for the proposed project.

As the Revenue Cycle Director, I'm responsible for meeting financial objectives. Healthcare delivery is continuously evolving, and there is a strong focus on providing greater levels of care in outpatient settings to reduce costs.

Surgical costs are separated into two categories: the facility fee and the physician fee, and it's important to understand the difference between the two. The physician fee is related exclusively to the physician's services and is only a fraction of total costs. The doctor gets paid at the same rate – regardless of the facility where he or she performs procedures.

The facility fee charge covers the cost of the building, staff, equipment, and overhead. Facility fees vary depending on the type of facility where the patient is seen or the procedure is performed.

In the existing Surgery Center owned by Blessing, the facility fees are based on hospital outpatient department rates for outpatient surgeries, and have been since they bought it in 2006. QMG has no control over the facility fee for the existing Surgery Center.

At the proposed surgery center, QMG will charge ASTC facility rates, which are approximately 50% lower than hospital outpatient facility rates. QMG's can pass along these cost savings to patients and payers.

[Show visual.] The difference between hospital facility fees and ASC facility fees has become a national discussion. In November 2018, CMS launched an online tool for the public that allows patients to easily and quickly compare Medicare payments for surgical procedures performed in HOPDs and ASTCs.

Patients simply type either a CPT code or a description of a procedure and the tool returns pricing information for an ASC compared to a hospital outpatient department. Our visual aide shows the facility fee for a specific colonoscopy. The facility fee for a colonoscopy performed in the free-standing ASC is \$488, while the facility fee for a colonoscopy performed in current Surgery Center as an Outpatient Hospital Department is \$936. To put the importance of facility fees in perspective, the physician fee in either location is only **\$268**, a small fraction of the total cost.

[Show visual.] We used the pricing tool for the information on the next visual. The next visual shows 3 procedures commonly performed in the existing Hospital-Based Surgery Center: Cataract Surgery, Carpal Tunnel Surgery, and Tonsil removal. The Medicare facility fee in pink represents the type of HOPD facility billing used by the current Surgery Center operated by Blessing. The Medicare facility fee for the proposed QMG Free-Standing ASC for those same procedures is shown in green. As you can see, this is a significant cost difference. {LONG PAUSE}

TRANSITION HERE: Finally, Employers/Blessing have shared that Blessing intends to reduce facility fees by at least 30%.

A reduction in fees by Blessing Hospital is unlikely to yield substantial savings to patients, payors, or employers in Quincy. In order to understand why that is the case, let's walk through how most medical institutions develop fees.

[show visual aide] Typically, healthcare organizations analyze their commercial payor contracts and set their facility fee slightly above the highest commercial allowed amount. Fees are set above that

mark to maximize revenue; payors reimburse the lower amount of the billed fee or the allowed contract amount. Recall that institutions may set whatever fee they deem appropriate, but they are obligated to honor discounts off that fee according to their contracts. We call the discounted amount the 'allowed amount' or the 'amount allowed by contract'. Medicare allowed amounts are easily accessible and available to the public. Commercial rates are often tied to Medicare rates that are set by CMS, and those commercial rates are usually higher than Medicare rates.

In this example, we look at 2018 fees for a colonoscopy performed in the Blessing Hospital Outpatient Setting. In our earlier visual aide, we saw that Medicare allowed \$936 for this procedure. Commercial contracts might be set at 150% or 180% Medicare. Let's simplify the math and assume that the commercial contract was set at 200% or 2 times the Medicare rate, or \$1,872. Our claims data shows that Blessing's current facility fee is \$3,649.80. Reduction by 30% is \$2,554.86. Despite the reduced fee, commercial insurance will still allow \$1,872 and Medicare will still allow \$936. No savings occurred for this patient, commercial payor, and certainly not a Medicare patient in this situation.

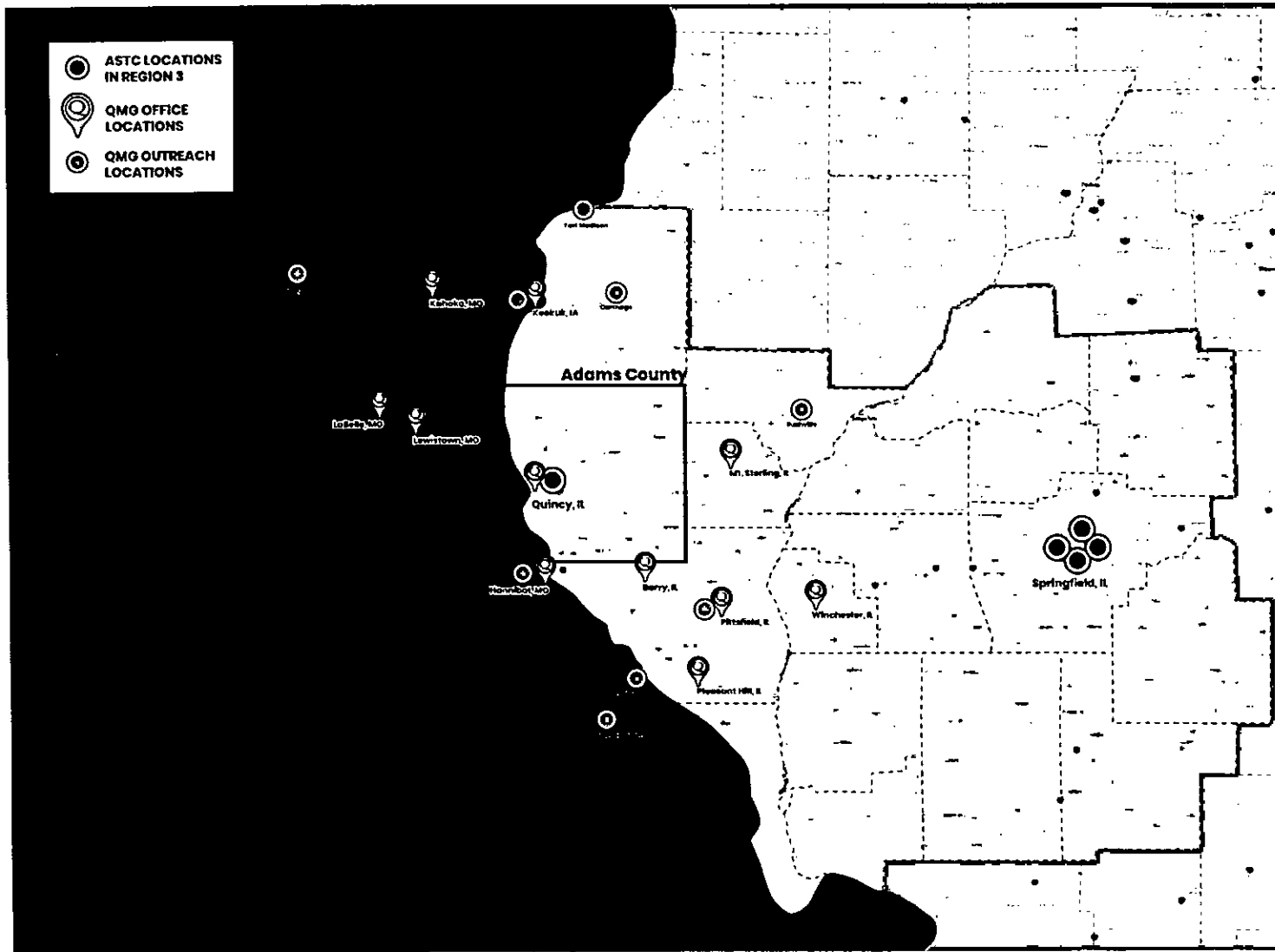
How can QMG's proposal save patients and payors money? QMG's proposed free-standing ASTC, of course, starts with a Medicare allowed amount of \$488. At 200% Medicare rates, the same commercial contract at 200% Medicare would only allow \$976, rather than \$1,872 in the HOPD. This lower facility rate translates to big savings.

The proposed surgery center will allow QMG to offer its patients, employers, and insurers (governmental and non-governmental) high-quality care in cost effective settings, resulting in savings to Quincy and the surrounding community.

Thank you for allowing me to speak today in support of Quincy Medical Group's proposed surgery center.



## ASTCs LOCATED IN HSA REGION 3



STATE OF ILLINOIS CERTIFICATE OF NEED PUBLIC HEARING | JANUARY 24, 2019

# MEDICARE PRICE TOOL

Colonoscopy, flexible; with removal of tumor(s), polyp(s), or other lesion(s)  
by snare technique **Code: 45385**

AVERAGE TOTAL COST  
**\$488**

## **Ambulatory Surgical Centers**

Average Medicare Pays	\$390
Average Patient Pays	\$98

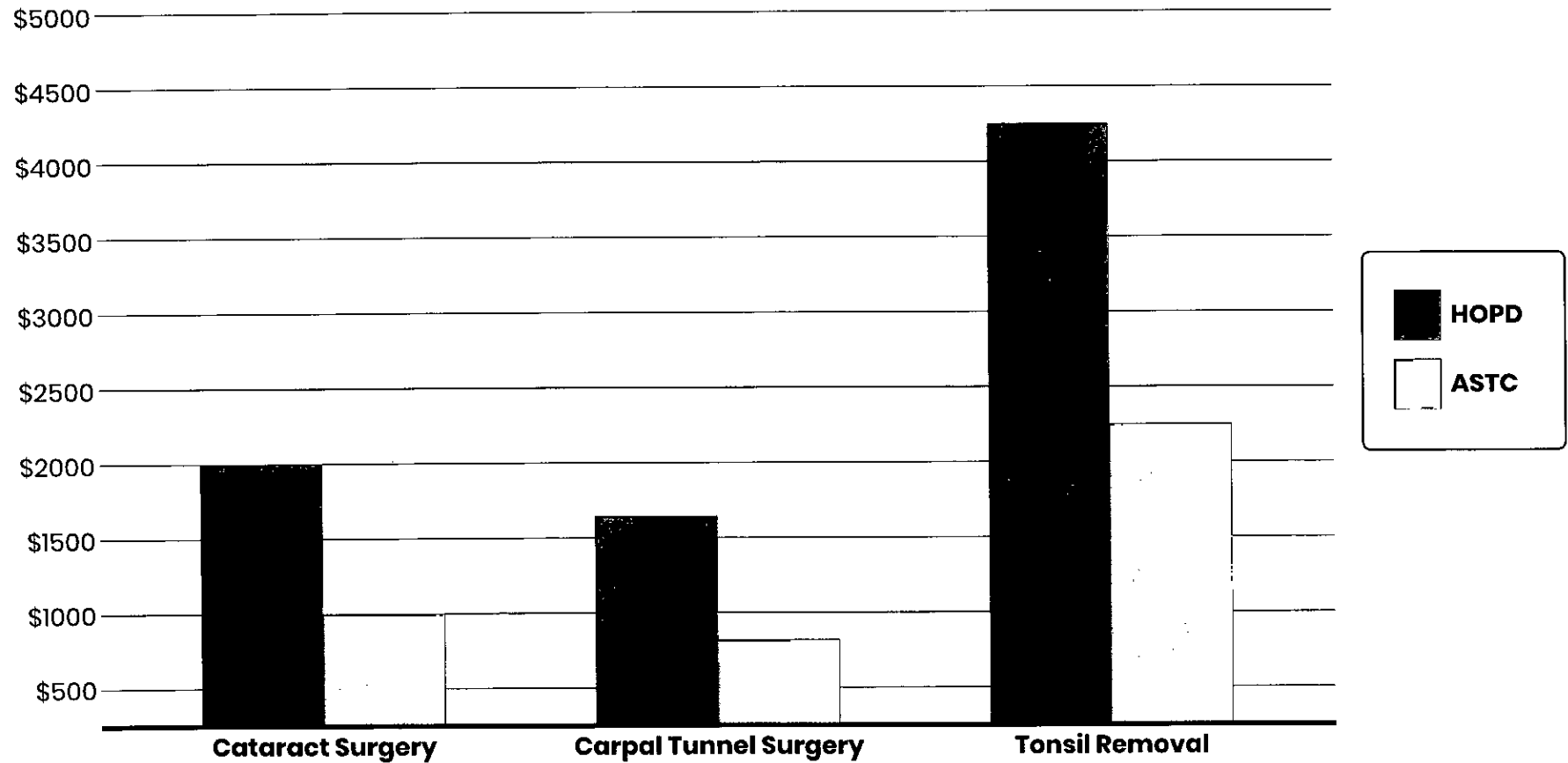
AVERAGE TOTAL COST  
**\$936**

## **Hospital Outpatient Departments**

Average Medicare Pays	\$749
Average Patient Pays	\$187

# FACILITY FEE

(MEDICARE ALLOWED AMOUNT)



I am Mike Owens, the President of the Medical and Office division of Cullinan Properties as well as its Chief Investment Officer. I am speaking in support of CON Project No. 18-042. I urge the Board's approval of the project at its March 2019 meeting.

Quincy Medical Group is a preeminent multi-specialty physician group that provides high quality care to its patients. QMG is dedicated to and has served the Quincy community for years. The proposed project is yet another example of QMG investing in Quincy and working to improve the health of its patients, along with the economic viability and longevity of the Quincy community.

The proposed surgery center and cardiac catheterization lab will be located at 3347 Broadway Street in Quincy, Illinois, in the Quincy Mall. Since 2005 Cullinan Properties has owned and managed the Quincy Mall. In our 30 year existence, Cullinan also has developed, owns, leases and manages numerous other properties in Illinois, including The Levee District in East Peoria, Grand Prairie Developments in Peoria, as well as the Streets of St. Charles in St. Charles, MO. Cullinan partners with the medical community to develop state-of-the-art facilities and offices and has significant experience developing and renovating properties for medical use, including, among others, the 275,000 square foot Veterans Administration Clinic in Austin, TX, EastCourt Shopping Center in Pekin, OSF Kumpf Street Orthopaedics Building in Peoria, Glen Avenue Corporate and Medical Park in Peoria, Greater Peoria Specialty Hospital in Peoria, OSF College Avenue Medical Building in Normal, and the McLean County VA CBOC (Community-Based Outpatient Clinic) in Bloomington. QMG has committed to lease the property from Cullinan Properties pending Board approval of its permit application, and Cullinan Properties will lead the renovations of the property.

Quincy Mall is the primary shopping destination for residents of Quincy and surrounding communities. QMG's prudent location selection will fill a major vacancy in Quincy Mall that resulted from the recent departure of the Bergner's Department Store. The proposed project will re-purpose and utilize vital space in the mall and contribute to its continued economic success. Once renovations are complete, the vacant Bergner's Department Store will be transformed into a state-of-the-art medical facility including the proposed ambulatory surgery center.

The major benefit of the project is the provision of high quality care in a lower cost setting so that pricing will benefit area employers and patients. It is a wonderful secondary benefit that the project enhances the ongoing success of the mall. There are many tenants in the

mall and the surrounding campus who look forward to the addition of QMG as a partner and neighbor.

Cullinan Properties is excited for the opportunity to partner with QMG and strongly recommends that the Board approve the proposed project.

Good Afternoon. My name is Dr. John Barbagiovanni. I am a gastroenterologist at Quincy Medical Group. I've been with Quincy Medical Group since 2004. I'm also on the Quincy Medical Group board. I'm here to show my support for Quincy Medical Group's proposed surgery center.

As a gastroenterologist, the primary focus of my practice is in the outpatient setting, where I perform endoscopic procedures, including screening for colorectal cancer. The two procedures I perform most regularly are upper endoscopies and colonoscopies.

There are many benefits to the new surgery center.

First, the new surgery center will allow for significant cost savings to be passed along to my patients, their employers, and other payers. Second, the new surgery center will address and remedy current accessibility issues. There is only one other ambulatory surgery center located in Adams County, and the operational practice at that surgery center drastically limits available surgery hours and requires that all procedures be completed by 4 p.m. While the facility may be "open" until 5 p.m., no procedures are taking place from 4-5 p.m.

In addition to the limited surgery hours, there's also limited capacity in the existing surgery center overall due to current block scheduling. The majority of surgery center hours in the existing surgery center are already allocated to a particular surgeon or group due to block scheduling, and, therefore, there's a

limited amount of hours per day available for unplanned surgeries or procedures. Quincy Medical Group intends to expand surgery hours at the new surgery center to include evening hours and weekends. The increased accessibility and availability is important to patients on many levels as it will allow for procedures to be performed more quickly and provide an additional level of convenience to patients who would prefer or who are unable to take off work during the 8-4 p.m. work day.

Third, the new surgery center will be a state-of-the-art facility that will be designed to accommodate a vast variety of procedures that can and should be performed in an outpatient ambulatory setting, like urology services, knee replacements, ACL surgeries, and ENT related procedures.

And, fourth, the new surgery center will greatly assist Quincy Medical Group with our efforts to recruit new physician talent to the Quincy area. Surgeons want to know that they will have, in essence, guaranteed access to a surgery center. If we look at the current amount of time available in the surgery center versus the number of new physicians that will arrive over the next two years, we will not be able to provide the new surgeons with the necessary amount of surgery center hours. Due to the current limited surgery center operating room availability, top recruits cannot receive the assurance they demand. Additionally, a physician-owned or led surgery center is really appealing to recruits who value the

ability to control their environment and the efficiency of the operating room and to those physicians who do not want to deal with the administrative challenges that arise when seeking new equipment due to hospital budgets and policies. The prospect of the new surgery center, which will be owned and led by physicians, has really amped up our success in relation to recruitment efforts. In a town like Quincy that is not well known nationally, we must do everything we can to make it appealing to practice medicine here. A physician-owned surgery center will open us up to more interest from recruits and continue to allow us to bring in physicians who would normally only consider working in a tertiary care market.

As a physician who will have the opportunity to utilize the new surgery center, I express my strong support in favor of the project.

Thank you.



My name is Dr. Michael Owenga. I'm a urologist at Quincy Medical Group, having joined the group in 2010, and also a member of its board. I'm speaking today in support of Quincy Medical Group's proposed project.

As a urologist, I perform a number of procedures in an outpatient setting. In fact, almost 95% of the procedures we perform can be completed in an outpatient setting. Because the equipment needed to perform urological surgery is not available in the existing surgery center in Quincy, I have no choice but to perform the procedures in the operating room of the local hospital. Hospital operating rooms do not have the same capability as an outpatient surgery center to have efficient, effective, and cost-conscious surgical options for patients. Patients wait longer to get into surgery, turnaround is slower for physicians and hospital facility fees are applied. My physician fee for the procedures does not change based on whether it's performed in a surgery center versus in a hospital. It's the facility fee that's at issue. Facility fees in Quincy are currently controlled by Blessing hospital and not Quincy Medical Group.

The proposed new surgery center will have the modern equipment and capabilities necessary to perform many urology procedures that currently cannot be performed in the existing surgery center. Another beneficial aspect of the new surgery center is that Quincy Medical Group physicians performing procedures at the surgery center will have immediate access to a fully integrated electronic medical record system for our patients and will no longer need to navigate two very different electronic medical record systems. This will improve quality of care, patient outcomes, and safety through improved information sharing, reduction in medication errors, and improved communication and interactions among primary care providers, patients, and other providers involved in the patient's care.

My fulfillment as a physician is to provide the best, most innovative, and efficient care of my patients. It's for these reasons that I strongly support the proposed surgery center.

Thank you.

My name is Dr. Kurt Leimbach. I'm an internist at Quincy Medical Group and a member of the Quincy Medical Group board. I've been with Quincy Medical Group for about 30 years.

I'm here to show my support for the proposed surgery center. The surgery center is needed by the group to address many of the issues noted in the Certificate of Need application and those that have been addressed by many of my colleagues today. The surgery center will also greatly benefit Quincy patients, prospective new patients, and the Quincy community as a whole. The new surgery center will increase competition and patient choice in Adams County, ultimately resulting in significant cost savings to patients, employers, and payers.

I'd also like to submit the statements of two Quincy Medical Group physicians who could not be here today. The statements were prepared and approved by both physicians, and I've been asked to submit them to the Board on their behalf.

The first is a statement of Dr. Rafi, who is an interventional cardiologist in his last year of fellowship in Florida. He'll be starting at Quincy Medical Group later this year. His statement addresses the many reasons he joined Quincy Medical Group and touches on the fact that cardiac cath procedures can be performed safely and comfortably in an ambulatory surgery center.

The other statement is from Dr. Derian, who is an experienced cardiologist in our group. Dr. Derian's statement discusses QMG's active recruitment of cardiologists to the robust cardiology practice and CMS' recent approval of 12 cardiac cath procedures to the ambulatory surgery center covered procedures list.

My name is Dr. Tanya Mero. I am a physician at Quincy Medical Group specializing in gynecology. I joined Quincy Medical Group in 2005. I currently perform procedures in the surgery center currently located on Hampshire Street in Quincy.

In general, in most surgery centers, there is a focus on ensuring that patients have the best surgical experience possible at the most affordable rate. In addition to efficiencies and resulting cost savings, surgery centers also often provide for a quick turnaround time for patients. This is one of the main reasons I think surgery centers are so valuable to positive patient outcomes and experiences.

Physician ownership of a surgery center leads to enhanced efficiency and incentivizes physicians to provide better patient care. When a large-scale institution, like a hospital, owns a surgery center, physicians often have to deal with non-responsive bureaucratic environments that reduce efficiency. A physician-owned and led surgery center, like the one proposed by Quincy Medical Group, will be great for patients, payers, and physicians. Another benefit to the proposed surgery center is that it will allow physicians to have immediate access to the complete electronic medical chart for a particular patient as we'll be able to utilize Quincy Medical Group's electronic medical record system - Epic. There will no longer be a need to navigate two very different electronic medical record systems. Having one integrated electronic medical record system provides

coordinated, efficient, and effective care. In addition to these benefits, it's expected that significant cost savings will be passed down to patients, employers, and payers due to the lower ambulatory surgery center reimburse rates that Quincy Medical Group will charge at the new surgery center.

As a physician who will utilize the new surgery center, I am in full support of the project, and I urge the Board to approve the project at the upcoming March meeting.

Thank you.

My name is Dr. Jean Alexandre. I'm a physician at Quincy Medical Group, specializing in obstetrics and gynecology. I joined the group in 2014 after working for more than 10 years in Chicago. It was a great decision to move my family to Quincy and join Quincy Medical Group because I have found QMG to be a very patient and physician-focused group who responds quickly to physician needs that improve patient care.

Quincy Medical Group has a proud tradition of providing compassionate, quality patient care. As a physician, my main focus is on my patients, and I support projects that will improve issues that are of concern to my patients. Those issues include receiving the highest level of care possible, having a procedure be administrated in as convenient of a manner with as quick of a turnaround time as possible, and having care delivered at a reasonable and affordable cost. The proposed surgery center will address and deliver on all these issues and more. I am confident that a surgery center run by Quincy Medical Group will enable patients to receive high quality care because we will be able to quickly and efficiently create processes that provide the highest quality and latest technology for patients. The new surgery center represents the future of Quincy Medical Group as a clinic and the future of health care as it follows the trend or shift from focusing on the inpatient setting to the outpatient setting, resulting in an improved patient experience, improved patient health, and a significantly reduced cost of healthcare.

Thank you for allowing me to speak in support of the proposed project. I recommend approval by the Illinois Health Facilities and Services Review Board.

Good Afternoon. Thank you for allowing me to speak today in support of Quincy Medical Group's proposed project.

My name is Dr. Rishi Ghanekar. I'm a nephrologist and internist at Quincy Medical Group. I've been serving the Quincy community as a Quincy Medical Group physician for more than 10 years, and I currently serve on the Quincy Medical Group board.

The proposed surgery center will greatly assist Quincy Medical Group with its recruitment efforts to draw physician talent to the Quincy community. Physician-owned and led groups are appealing to physicians, and the ability of a physician to have access to or ownership in a surgery center will create a great advantage for Quincy Medical Group in its continued recruitment of specialized and highly-qualified physicians to Quincy. The benefit extends especially to patients by enhancing the local availability of surgical specialists so there is less need to travel to cities outside the Quincy area. My patients have told me that part of the reason they travel to St. Louis, Peoria, or Springfield is because of the high charges in Quincy. The planned surgery center will introduce greatly needed competition in Quincy, which is currently nonexistent.

I support the proposed project, and I recommend that the Illinois Health Facilities and Services Review Board approve the project at its March Board meeting.

Thank you.

Good afternoon. My name is Dr. Rick Noble and I am here today to voice my support for Quincy Medical Groups Ambulatory Surgical Center.

I have lived in Quincy for 35 years and I have been a Primary Care Physician with Quincy Medical Group for over 30 years and for the last 8 years I have served as one of the Board of Directors for the organization. In 8/2017, Quincy Medical Group and its leadership was visited by Dr. Tom Price, then Secretary of Health and Human Services for the United States Government. One of many topics addressed by Dr. Price was lowering the cost of healthcare without sacrificing the quality of care for each and every patient. We are now living in an era of healthcare transparency, where patients are empowered to become health consumers, shopping for physicians who provide the highest quality of care as well as cost options. I feel it is imperative that physicians help lead the industry for cost savings. That is where I believe Quincy Medical Groups future ASC comes into play.

Like myself, the vast majority of primary care providers in the Tristate area will not work in an ASC, but each and every day we refer multitudes of patients for necessary procedures. These patients belong to Medicaid, Medicare, Private Insured, with a large majority owning a high deductible ObamaCare plan in excess of \$5,000, as well as those without insurance. For many patients, cost does become a main driving force when making the decision to undergo these procedures

As an example, a family member recently underwent a necessary screening procedure at the current hospital based ASC. The facility fee alone was approximately \$4,300 for the procedure. In comparison, Quincy Medical Group's projected facility fee for the same



associated procedure will cost approximately \$1,900. In my own practice, this cost difference can be what differentiates whether a patient gets screened for disease or not.

As a Board of Director, I realize that simply building an ASC for cost savings is not enough. The current hospital based ASC is running at near capacity, and it is projected that a significant increase in patient demand will exist over the next 20 years. This is where the projected ASC will help manage that patient demand as well as give the consumer an additional option. Also, I truly believe the ASC will enhance the ability to recruit the highest quality of Board Certified Physicians to the Quincy Area so as to continue to provide the quality of healthcare we have all been accustomed to. This therefore, is a win-win for the local Health System, including the hospital, employers, and particularly the patients who live here.

This is why I strongly support the future development of Quincy Medical Groups Ambulatory Surgical Center.

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This is why I strongly support the future development of Quincy Medical Groups Ambulatory Surgical Center.

My name is Dr. Adam Rafi. I'm currently in my final year of fellowship in interventional cardiology at the University of Florida Health in Jacksonville, Florida. I will complete my interventional fellowship at the end of June and am extremely excited to be joining the Quincy Medical Group family.

I understand that my relocation to Quincy will provide continuity to the group's practice and service the historic volume of cardiovascular referrals from within the Quincy Medical Group system.

During my recruitment visit, I was impressed with the group's established practice and culture. I'm excited to have the opportunity to work along highly skilled and compassionate cardiologists, like Dr. Derian and others. The fact that the group is physician owned and led played a large part in my decision as I value the many benefits that come with working in a physician group, as opposed to being employed with a hospital or health system. Quincy Medical Group will be a great fit for me both personally and professionally.

It's also really exciting to me that Quincy Medical Group is in the process of seeking approval to incorporate catheterization service in its proposed ambulatory surgery center. Peripheral arterial disease procedures and interventions have continued to be performed for over 10 years in an outpatient setting and have demonstrated that these procedures can be performed safely and comfortably. The outpatient surgery center and associated services will enable the health care provider to provide efficient, timely, cost effective and high quality patient/cardiovascular care. The location of the ambulatory surgery center within minutes of an acute care hospital will ensure patient safety. CMS has continued to strive for patient safety and limiting cost to the health care system. They have determined that these procedures do not pose a significant risk when performed in an ambulatory surgery center. There has been rapid approval

from CMS in other specialties such as orthopaedics involving total joint replacement in an outpatient setting. Multiple outpatient surgery centers are presently being built or have already been built in my present state of Florida to help provide cost effective care and improved patient outcomes and satisfaction to help our health care system evolve.

Since 2010, the trend has continued for more patients to receive invasive and interventional cardiology treatment/services in an outpatient setting as evidenced by Medicare data. The vision of the group to construct the outpatient surgery center demonstrates to me that the group is forward-thinking as the project will implement CMS' newly established rules that encourage cardiac catheterization to be performed in surgery centers. Quincy Medical Group continues to be on the forefront of change to more cost effective and efficient delivery of care as well as helping to enable health care providers to provide timely care and health care services to the nearby communities around Quincy. I'm excited to have the opportunity to be a part of that change.

I urge and would greatly appreciate approval of this project.

I am Dr. Wissam Derian. I've been a cardiologist with Quincy Medical Group since 2008. I support the proposed ambulatory surgery center, which encompasses a plan to conduct cardiac catheterizations in the new center.

In 2018, I performed 194 catheterizations. In 2017, I performed 181, and in 2016, I performed 211. My practice has grown consistently over the years I've been with QMG. My previous partner of nine years left in 2018; however, the group recently signed my new partner and we are actively recruiting additional cardiologists to join our stellar cardiology practice. Dr. Rafi, an interventional cardiologist, is one such talented physician who will be joining our practice in July of this year. I'm excited to welcome him to our cardiology team where he will play an integral role. Within 2-3 years, our group will have an even more robust cardiology practice that will cover, in total, a workload of approximately 600 cases annually.

I am pleased that in late 2018 the Centers for Medicare and Medicaid Services or CMS added 12 cardiac catheterization procedures to the ambulatory surgery center covered procedures list. This addition became effective on January 1 of this year. Quincy Medical Group was aware of the prospective change and correctly predicted that it would, in fact, go into effect in 2019. As a result, Quincy Medical Group included the cardiac cath portion of the project in its Certificate of Need permit application filed last fall.

The catheterizations that will be performed in the surgery center will be primarily diagnostic. Patients having diagnostic caths do not require general anesthesia, or hospitalization. The recent decision by CMS follows its thorough review of the safety and efficacy of performing such procedures in an ambulatory surgery center. The CMS

approval applies to all Medicare patients. Commercial payors typically follow Medicare policy, and are expected to include similar coverage of catheterizations in an ambulatory surgery center setting. The lower cost associated with an ambulatory surgery setting compared to a hospital outpatient setting will result in significant cost savings for these procedures.

I support this project, and I urge approval of the project by the Illinois Health Facilities and Services Review Board.

January 24,2019

I am in favor of the QMG proposal to move some services to the Quincy Mall. Blessing Hospital is a wonderful facility and I have never had a bad experience during the 3 times I have used it.

Utilizing vacant Mall sites by medical institutions is happening all over the country and I see no reason why it should not happen in Quincy. The reduced overhead would be reflected in the lower cost of the procedures and that would benefit a great many people in this and surrounding communities who come to Quincy for medical treatment. Competition lower costs even in medicine.

I have been a volunteer with Blessing for 20+ years and will continue to do so. My opinion in no way reflects a negative attitude toward that facility. It just makes sense to have more options for the community.

MJ Hunt

Quincy